NITIN SPINNERS LTD.

CONFIDENCE IN TEXTILES
Tested for harmful substances according to Oeko-Tex® Standard 100

NITIN

REF: NSL/SG/2026-27/
Date : 13.08.2026

BSE Ltd.
PhirozeJeejeebhoy Towers
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Company Code – 532698

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
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Mumbai – 400 051.
Company ID - NITINSPIN

Sub. : Transcript of Analyst/Investor Earnings Call held on 10.08.2026

Dear Sir/Madam,

Pursuant to regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached transcript of the Company's Analyst/ investor Call held on Aug 10, 2026 on Operational and Financial Performance of the Company for the Quarter ended 30th June, 2026. The same is also available on the website of the Company i.e. www.nitinspinners.com.

Thanking you,
Yours faithfully,
For- Nitin Spinners Ltd.

SUDHIR KUMAR GARG
Digitally signed by SUDHIR KUMAR GARG
Date: 2026.08.13 16:17:49 +05'30'

(Sudhir Garg)
Company Secretary & VP (Legal)
M.No. ACS 9684

"Nitin Spinners Limited

Q1 & FY27 Earnings Conference Call"

August 10, 2026

MANAGEMENT: **MR. DINESH NOLKHA – CHAIRMAN AND MANAGING DIRECTOR – NITIN SPINNERS LIMITED**
MR. NITIN NOLAKHA – MANAGING DIRECTOR – NITIN SPINNERS LIMITED
MR. P. MAHESHWARI – CHIEF FINANCIAL OFFICER – NITIN SPINNERS LIMITED

MODERATOR: **MR. AWANISH CHANDRA – SMIFS LIMITED**

"E&OE - This transcript is edited for factual errors and readability. In case of discrepancy, the audio recordings uploaded on the stock exchange on 11/08/2026 will prevail."

Moderator: Ladies and gentlemen, good day, and welcome to the Nitin Spinners Limited Q1FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I would now hand the conference over to Mr. Awanish Chandra from SMIFS Limited. Thank you, and over to you.

Awanish Chandra: Thanks a lot, Muskan, and thank you very much, everyone, for joining this call. On behalf of SMIFS Limited, I welcome you all to First Quarter Financial Year FY27 Earnings Conference Call of Nitin Spinners Limited. We are pleased to host the top management of the company.

Today, we have with us Mr. Dinesh Nolkha, Chairman and Managing Director of the company; Mr. Nitin Nolakha, Managing Director of the company; and Mr. P. Maheshwari, Chief Financial Officer. We will start the call with initial commentary on the results, and then we will open the floor for question-and-answer.

Now I will hand over the call to Mr. P. Maheshwari, CFO of the company. Over to you, Maheshwari, sir.

P. Maheshwari: Thank you, Awanish. Good afternoon, and a warm welcome to all the participants to this Q1 FY27 earnings call of Nitin Spinners Limited. I hope you have had a chance to go through the financial results and investor presentation available on the company's website and stock exchanges. I will start with a brief overview on operational and financial performance for the quarter. Post that, our CMD, Shri Dineshji, will give you an overview of industry and business scenario.

Coming to our financial and operational performance, Q1 FY27, the company has reported another quarter of strong allround performance with improvement in revenue, EBITDA and PAT. Revenue for Q1 stood at INR875 crores, which is a growth of 10.3% on a year-on-year basis and 1.8% on a quarter-on-quarter basis.

It is our highest ever quarterly revenue for second time in a row, driven by improvement in yarn realizations and better demand scenario. EBITDA before other income for the quarter stood at INR155.6 crores, which is a growth of 39.85% on year-on-year basis and 19.3% on quarter-on-basis.

EBITDA margin for this quarter stood at 17.78% against Q1 FY26 margins of 14.02% is an increase of 376 bps on a year-on-year basis and 261 bps on quarter-on-quarter basis. That is due to improved realization and cost saving initiatives. Profit after tax for the quarter stood at INR75.3 crores is a growth of 83.63% on year-on-year basis and 31.2% on quarter-on-quarter basis.

EPS and cash EPS for the quarter stood at INR13.39 and INR20.08 per share, respectively. In terms of geographical split of revenue, export contributed nearly 65% and domestic 35% of the total revenues during the quarter. In FY27, our spinning capacity was operating at 98% utilization and woven fabric over 92% utilization.

That is all from my side. I now request Shri Dinesh-ji to share his insights about the industry and business scenario. Thank you, and over to Shri Dinesh.

Dinesh Nolkha: Thank you, Maheshwari-ji. Good afternoon, everyone. FY27 has commenced on a positive note for the textile industry. This positive momentum has been supported by an improvement in demand from the last quarter itself following the removal of the additional tariffs by the U.S.

Cotton prices increased during quarter 1 by about 8% to 10%, primarily driven by overall lower global production, global supply chain and logistics challenges due to West Asia war. Government of India due to this has also removed the import duty on cotton so looking to the higher prices in the domestic as well as international markets.

The price parity between international and domestic cotton improved, which was one of the factor for the improvement in the performance of the textile industry. The upstream textile industry also witnessed an improved market scenario with yarn prices increasing higher than the cotton prices, supported by healthy demand from both the domestic and export markets.

The increased demand of cotton yarn in export market from China was one of the factors for a better demand scenario for the Indian spinners. The recently implemented India U.K. FTA is also expected to support India's exports by opening up new sourcing and export opportunities for the Indian textile sector.

Other trade agreements like EU-FTA will also play an important role in creating a more level playing field for India against other competing textile nations. India's textile sector continues to have good long-term growth potential, supported by its large manufacturing base, raw material availability, increasing focus on value-added products, innovation and sustainability.

Further favorable government initiatives and increasing global interest in diversified sourcing will contribute to the improved -- going forward, the improved demand. We anticipate that the demand for fabric and yarn will continue to be better, supported by demand coming from growth across the downstream sector and the consolidation of the spinning industry.

Coming to the company's performance, we are pleased to announce our highest ever quarterly revenue for the second consecutive quarter at about INR875 crores, driven by improved yarn realizations with better demand environment and optimum capacity utilization. The fabric business witnessed a stable pricing environment compared to the previous quarter.

Margins for the quarter improved on both a sequential and on a year-on-year basis as well. This improvement was primarily driven by higher realizations across our products and the cost saving initiatives.

Going forward, our -- one of our future growth driver will be our capacity addition, which is going -- progressing as schedule with the expansion of our fabric capacity by another 35 million meters and spinning capacity by additional 74,000 spindles. We anticipate closing financial year

'27 on a stronger note compared to financial year '26, supported by the partial contribution from the new capacities in the second half of this financial year.

The capex will further support an expansion of our -- in our blended margins as highlighted earlier as well, driven by an increase in the share of value-added products in overall revenue mix. The renewable power expansion plan is also going as per schedule and expected to be operational by the end of Q3 '27.

Upon completion of the same, we are expected to reduce our power costs further. The positive external environment, including the trade measures and improved price parity of cotton gives us the confidence in faster ramp-up of these capacities once they become operational and help us in sustaining the margins.

With this, I would like to open the floor for the question-and-answer session. I think we can go forward with that.

Moderator: Thank you very much. We will now begin the question-and-answer section. Your first question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, if you could help us understand what were the spreads during Q1 FY27 and what are current spread right now in Q2?

Dinesh Nolkha: In the first quarter, I think in the last quarter of the last financial year, the spreads were in the range of about INR110. And now it is in the range of or INR130.

Madhur Rathi: INR130?

Dinesh Nolkha: Yes.

Madhur Rathi: And sir, are we sustaining in Q2 as well?

Dinesh Nolkha: As far as today's condition is there, we are sustaining the same.

Madhur Rathi: Got it. Sir, what -- sir, what has led to this spread improvement? Is it the difference between the pricing of Indian cotton versus international cotton or the demand is much higher than the supply, if you could help us understand?

Dinesh Nolkha: In fact, there are a couple of reasons, but there is an improved demand scenario and also consolidation of thecapacities. We have seen some capacities going out of business in the last 1 and 2 years and then there was a -- and there was a very dull period of demand, especially post the announcement of the U.S. tariffs and the prices went down substantially lower.

Now that has corrected itself and accordingly there is a stable price regime maybe we can say we have come back to the similar levels what was there pre US tariff levels. And also there was a -- and the important one of the important factors as you rightly pointed out was the parity between the Indian cotton and the international cotton.

For a good 1.5 to 2 years from '24 end of '23 till the middle of '25 our Indian cotton was out priced, they were higher, much higher than the international prices. So now this course correction has happened so that is also resulting in these improvements.

Madhur Rathi: Got it. Sir, can you quantify what is the premium on international cotton versus Indian cotton currently and historically where has it like you mentioned that we were at a disadvantage like in '23 and '24. So how is it compared to that right now?

Dinesh Nolkha: If we have to look at the Cotlook Index, normally Indian cotton -- Cotlook Index is basically index of six larger growths of cotton. So if we compare that, normally Indian cotton was minus the Cotlook Index, maybe a couple of let's say couple of percentages point minus the Cotlook Index in view of the quality of the cotton which we produce in India.

So in '23, '24 our cotton prices were about five to even 7% higher than the Cotlook Index and now it is at this point of time at a similar level minus 1 or 2% the Cotlook Index level. So the overall delta change has been in the range of 7% to 8%.

Madhur Rathi: Got it. So just finally a few questions from my end. Sir, we are adding a 35 million meters of capacity in our finishing division. So is it more towards weaving or is it more towards printing? And sir, it seems that the printing, the textile printing although the volumes are getting much smaller, so are we moving from rotary printing towards digital printing, if you could help us understand?

Dinesh Nolkha: First of all printing is a very small part of the business. The capacity which we are adding is both in the weaving as well as finishing. So we are adding both weaving capacity as well as finishing capacity. And this new capacity will be for solid dyes, solid dyed fabrics, also the yarn dyed fabrics as well.

So we are not adding any capacity in the printing segment. Already we have printing segment available where we are already running the thing, so we are not adding any capacity in that particular segment.

Madhur Rathi: Got it. And sir, so considering the demand improvement that we have seen but our volume yarn volumes have actually de-grown on a Q-on-Q and a Y-on-Y basis. So sir why was it, I think majority came from the realization improvements. So how do we see FY27 in terms of top line and bottom line? And sir the volume, should we expect these to move up going forward or customers are delaying their purchases because of higher yarn prices?

Dinesh Nolkha: There is -- I think there is no de-growth as such. The volumes have de-grown because our fabric divisions have consumed more. If we go into the detail our fabric divisions have consumed more and slight some stocks were left out at the end of the quarter because of logistics challenges. So there was slight increase in the stock with us which got dispatched later because of the non-availability of the vessels or other things logistics as I highlighted in my earlier comments also. So because of that otherwise there is no reduction in the sale side up in quantum I would say.

Going forward as our capacities increase, yes the quantum will also increase, that that is also going to increase going further. For the what will be the revenue and other things for the financial year, I think in the last conference call also we have highlighted that we should be already with our new expansion should add another 200 crores to 300 crores to our revenues going forward -- going in this whatever capacity we add. Plus the existing revenue should be slightly higher than the last year. So all put together so that there will be a reasonable increase in our revenues.

Madhur Rathi: Got it. Sir, thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity and congratulations for a good set of numbers. Sir as you have been saying that you know you were -- the spreads are sustaining in second quarter also. But let's say if we you know if for most of the spinners you know for most of the yarn companies the low price inventory should get over by maximum by Q2. So let's say how do things look like for our company in Q3 with you know with us also procuring higher cost inventory during Q1, Q2? We can talk about that?

Dinesh Nolkha: We are not at all relying on our inventories alone. We are trying to pass on the increase in the raw material prices. This has happened in the past also and going forward also if the prices there is no abnormal increase in the raw material prices I think we should be in a position to pass on the increased cotton prices also. This quarter itself in the Q2 itself we are also seeing the increase in the raw material prices in comparison to last six months and which is getting passed on.

Ankit Gupta: Okay, okay. Okay. And you know we have been hearing about China starting to procure cotton yarn, cotton yarn supplies from India and other countries. So is that one of the major reasons why you know such high demand and high yarn prices are sustaining? And what's your view on continuity of the same?

Dinesh Nolkha: First of all it is one of the reason, I would not say it is the only reason. Overall demand in the domestic market has also been good. If we see there is an incremental increase in the exports. We used -- we were India was exporting in the range of 90 to 100 million kgs during the whole of year ‘25. In ‘26 in the calendar year ‘26 China started to import and it went up to 110 to 115 million.

So there is a there is not very large increase or let's say the kind of capacities which they used to buy in ‘20 earlier years in ‘21, ‘22 kind. But this is also supporting the overall requirements. So I would say that and we are expecting because of the strategy which China is adopting, there is a lower crop expected in China and then they go in for this kind of continuity of the import of yarn should continue.

Ankit Gupta: Okay. So given all this we expect that the current margins for the quarter let's say around 17%, 18% that should sustain going forward at least for next quarter or two?

Dinesh Nolkha: We are expecting same. In view of the cost initial cost saving initiatives going forward which is also going to kick in and also the margins looking reasonable. Unless we have -- see an extraordinary changes in global scenarios or something like that. Political geopolitical things we should be able to maintain.

Ankit Gupta: Okay maintain and not improve. The margin should stay around 17%, 18% level?

Dinesh Nolkha: Improvement I cannot comment upon at this point of time.

Ankit Gupta: Sure, okay, okay. But at least it should not go down from the Q1 levels, or at least not much not significantly lower than Q1 levels?

Dinesh Nolkha: No comments on this please. I'm just giving you the facts and the figures. The margins will come automatically when it comes.

Ankit Gupta: Sure. Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Narayan Danak, an Individual Investor. Please go ahead.

Narayan Danak: Sir thank you very much for the opportunity. I hope I'm audible.

Dinesh Nolkha: Yes you are. Please.

Narayan Danak: Yes, thank you. So, I see that the volumes Q-o-Q down for yarn around 14% and Y-o-Y 7%. That is compensated by increase in the volumes for cloth right by 7%. And that is clear from what you just said. And demand perspective you have not increased in terms of volume right? I think what you pointed out as a demand perspective, can you please put forward the facts in terms of how the demand has increased when the volumes are actually down? That's the first question.

And second question if are these spreads right is specifically due to spread increase is due to the cost reduction in terms of inputs? That's how I understand it. So correct me if I'm wrong. And how much is it sustainable given this China scenario which you just expect? These are the two things if you can address please. Thank you.

Dinesh Nolkha: Coming to your first question, there is basically if you see the production capacity it is running at the similar production capacities. So we are running at 98% capacity utilization. And accordingly the increase in volumes is not possible beyond the capacity which we have. So last year also we were running at this level and this year also we are running at same level.

Now out of the capacity, the yarn which is produced it goes for different applications. Sometimes we have our knitting capabilities, we have our weaving capabilities. So when it goes more into those in-house consumptions, then and the utilization increases here, the outside sales slightly reduces. So that is what you are seeing at this point of time.

Some quantity reduction which is left in our stocks is also which is also reflected in our numbers, is due to the non-dispatches of the materials from our end because of logistics challenges in the international market. So that is one of the reasons and that is later on already in the month of July and others it has already got dispatched as well.

So this is the reason why the volumes you are looking at is changing. So that is from our side there is no major change in the volumes and it remains as it is. So the all the increase which has happened is due to the increase in the realization. And there is no reduction in the volumes of the yarns which we are producing or which we are selling at the moment.

Now coming to your second question where you've asked about the cost initiatives. In this particular quarter there is -- a there is some our renewable energies portion has kicked in, the new capacities which we have started. So that that has contributed partly for the reduction in the costs and but that is not very substantial I would say.

We have also gone in for an effort of saving the energy so that has also resulted in the lesser energy consumption per unit of the production. So these two things have resulted some automations have also been done which was also a part of our expansion plans. So we have also modernized some of our existing capabilities. So all these three things have resulted in some of our cost savings which is going to continue. These cost savings are permanent in nature and will continue going forward as well.

Narayan Danak: Right sir, thank you. So most of the cost saving is coming due to input prices the way I understand it. And part of it is due to what you just explained?

Dinesh Nolkha: No, no. Not input prices. Due to the power. Input prices have gone up rather, and accordingly the finished goods have also gone up. So input prices have not gone down. So if you see, so the increase in the revenue is more than what the input increase is there.

Narayan Danak: Right. Right. And that's why spread about INR130 that you just mentioned previously, right? And sir the last question from my side, how does it look when the full capacity expansion comes alive and we are producing more? Say FY28, FY29? Do we see substantial demand to absorb the capacity expansion that we have done?

Dinesh Nolkha: That new capacity which is going to come in will be in the yarn capacity what we are adding will be more for our fabric business. It will go for out of the new capacity about 22,000 metric tons we are adding going forward. So which out of which nearly 16,000 to 18,000 will go for our fabric production.

Also we are adding yarn dyeing capacities. So some part of the capacities will also be so it's a new product for us so that will be some of the yarns will be going for so in total we will be adding very small capacity for our gray yarn business which would be easily absorbed looking to our presence all around the world and the demand of our products at this moment also.

So there is no issue at all for absorbing the yarn capacity. Now coming to fabric capacities, this is going to we are also introducing many new products in our range in the fabrics and also these new markets which are opening for us like with the FTAs happening for UK and also going forward for the EU, we expect that we will have more customers coming from these markets which we are already in discussion. So they will -- that will further enhance our utilization capacities, but the ramping up of fabric will take some time to happen. So that is going to take 6 to 8 months time going forward.

Narayan Danak: Got it. Thank you sir and the margins from these new products, right? At least they would be matching the margins of yarn if I'm not mistaken. Right?

Dinesh Nolkha: Yes, of course. Of course.

Narayan Danak: Yes, yes.

Narayan Danak: Thank you very much.

Dinesh Nolkha: Yes.

Moderator: Thank you. The next question is from the line of Abhishek Shah from Fortitude Fund Management. Please go ahead.

Abhishek Shah: Hi sir. Firstly congratulations on the set of numbers. I think we are very impressed with you know how we've been able to foresee the upcycle. Sir just a couple of questions. I think last quarter on the con call you said the price rise in fabric was not being passed through, the way it was getting passed on in yarn. So just wanted some clarity, has that pass through started now? I mean are we getting higher margins in fabric as well?

Dinesh Nolkha: Basically let's say we have been able to pass on 100% of the raw material increase in the yarn business or rather in fact improve it. Let's say if the increase is 100% we have been able to pass 120% or 125%, I am just giving an example. But in the case of fabric business only whatever raw material increase actually has happened in the cotton that is only getting passed on. We are not able to improve upon the margins as we are able to improve upon the margins in the yarn business.

Abhishek Shah: Got it. Sir, do you expect this to sort of improve in the coming quarters?

Dinesh Nolkha: Yes, definitely. With the settling down of the cotton prices at higher levels, yarns at a level we expect that definitely and the demand coming from various quarters all around the world, I think we should be able to do that.

Abhishek Shah: Got it. Sir, in terms of the new capacity that comes in you know in addition to the previous person who asked you on the capacity ramp up. Sir of the INR1,000 crores is what we were guided incrementally will be the turnover that gets added. How much of that will be yarn and how much of that will be fabric? Is it 500-500?

Dinesh Nolkha: No. Fabric will be about 600 plus.

Abhishek Shah: Okay. Got it. Sir, in terms of ramp up, what will be the tentative timeline for yarn and fabric?

Dinesh Nolkha: I think we should be as far as yarn is concerned, I think we would have ramped up all our capacities by 31st of March of this financial year. So that will be there and fabric 100% ramp up may take a quarter or two more in FY28.

Abhishek Shah: Okay. Sir lastly in terms of the solar capacities, has any of the benefits accrued as yet or all of it will come in Q3 itself?

Dinesh Nolkha: I think some of it has come in this quarter also. I think about 1.2 crores or 1.5 crores is the exact number which has come in this particular quarter rest isgoing to come going forward.

Abhishek Shah: Sir, if I am not wrong I think the number was 30 crores, 35 crores, right? For this savings will start say post Q3?

Dinesh Nolkha: Yes I think annually it will be about it should at the EBITDA level it should be around 50 crores.

Abhishek Shah: 50 crores. Okay. Sir and this 50 crores so maybe 50 divided by 4 will start from Q4? Is that safe to assume?

Dinesh Nolkha: Yes definitely.

Abhishek Shah: Okay. Alright. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Kushal Sengupta, an Individual Investor. Please go ahead.

Kushal Sengupta: Hello. Yes. Congratulations on a great set of numbers. I just wanted to ask any chance of you looking at a buyback at any point in time?

Dinesh Nolkha: I think at this point of time we are in a growth phase. We are deploying our capital for the growth purposes, internal accruals as well as we are also taking some loans as well. So it would not be some it would not be prudent for us to go for buyback at this point of time.

Kushal Sengupta: Okay, thanks.

Moderator: Thank you. The next question is from the line of Varun from SMIFS PMS. Please go ahead.

Varun: Yes hi, good afternoon team. Am I audible?

Dinesh Nolkha: Yes, please.

Varun: Yes. So, most of my questions have been answered, but I would like some clarity on the EBITDA margins that have expanded this quarter. So, we can see there is a 39.8% growth in EBITDA and margins have grown from 14% to 17.78% which is a 376 bps incremental EBITDA.

So, can you just help me sort of bridge the Y-o-Y EBITDA expansion, how much of it is from cotton yarn spread, how much is the realization and how much is from the mix or from the cost efficiency that you have been talking about? So, can you just help me on that?

Dinesh Nolkha: A lot of, I think, a lot of number crunching will have to go will go over there. I'll just give you a brief outline. On saving on the cost of power is about 0.5% of our EBITDA, whatever, if you compare with last year to this year is due to our power because we have done some savings on our existing systems also as well as the solar capacity has also increased. Some capacity increased last year, some capacity increased this year. So, part of it has going from that side. Also, that is about 0.5% of our EBITDA.

Further there is an improvement in the yarn realization. We have been able to increase the prices more than our raw materials. So, I would be -- if you see our gross margins they have substantially improved from 34%, 35% and 35% levels to now to about 40% levels, 40% plus levels. So, the major increase is due to the increase in the yarn realizations only.

Varun: Okay, thank you. And I would like to just have a follow up on that. So how much of this is coming through the cotton inventory that's been there like the valuation gain on that. Is there anything from the cotton inventory?

Dinesh Nolkha: We do not increase the valuation normally so that is basically the inventory part because of substantial jump in the cotton prices, definitely there was some inventory gain. But as a policy of the company, we do not carry extraordinary inventories and our inventories are normally balanced with our sales.

If we have inventory, we also have the sales in hand going forward. So, a very small portion would have come in from the inventory gains. Majority if it has increases is due to the realization increase only.

Varun: Understood. And is there any impact on the working capital cycle over the last quarter versus currently? What it is?

Dinesh Nolkha: There is no major change as such. The cycle has more or less remained similar as compared to the last quarters or the financial year.

Varun: Okay. Yes. Thank you so much.

Moderator: Thank you. The next question is from the line of Varun Gajaria from Boring AMC. Please go ahead.

Varun Gajaria: Hi sir. Thank you for taking my question. Sir just wanted to understand when we when we talk about yarn capacity ramp up and fabric, what portion of that yarn will go towards internal consumption, and what will be like internal consumption towards fabric?

Dinesh Nolkha: If you are talking about the overall internal consumption or…

Varun Gajaria: I'm talking about the INR1,100 crores capex that we are doing, right? From that in from yarn how much portion will we go to fabric and what will be towards you know internal consumption?

Dinesh Nolkha: About 60% plus will go for our internal consumption, and the and balance will be for the sales. 40% will be for the sales.

Varun Gajaria: Okay so on fabric, on fabric front next year -- for the next year at least we'll be able to do INR200 crores from fabric, right? Considering that it's towards the second half of the year? The facility ramp up is towards the second half of the year.

Dinesh Nolkha: INR200 crores of what?

Varun Gajaria: Incremental revenue. We could be able to do INR200 crores of incremental revenue from that?

Dinesh Nolkha: No, no. It'll be much higher. It'll be much higher. Our fabric every if you see today is totally about INR700 crores plus for the last financial year. Going forward in FY28, we are expecting that our revenues will go up to INR1,200 crores from this.

Varun Gajaria: Okay so let's say around INR300 crores addition from new capacity?

Dinesh Nolkha: About INR500 crores will be added. Yes, INR500 crores have to come from this.

Varun Gajaria: Got it, got it. And in fabric he the asset turn should be around one 1.2% -- 1.2 times. How much is it usually?

Dinesh Nolkha: Pardon?

Varun Gajaria: The asset turn, what is the asset turn like in fabric?

Dinesh Nolkha: Asset turn in fabric is if you see individually the fabric then it is about 1.3-1.4. But when it since we are a composite unit, it is less than 1.

Varun Gajaria: Okay. Thank you so much for taking my question and all the best.

Moderator: Thank you. The next question is from the line of Narayan Danak, an Individual Investor. Please go ahead.

Narayan Danak: Thank you for putting me in the queue once again. Sir I just wanted to understand the industry outlook. I understand from you're saying that, we are operating at optimum capacity and we don't have spare capacity such that we are not able to sell more, such that the volumes came down.

But when we would have capacity, what are the avenues, is the industry and overall, as an overall having tailwind or headwind or it is neutral outlook for next two to three years? You said that some of the capacities came off the market some guys closed. So how is it happening overall, in terms of industry structures?

Dinesh Nolkha: As far as industry structure is concerned, I think the outlook is very positive. Going forward with the kind of avenues which is opening for the Indian textile, we see very good opportunities going forward. Important thing is that we should be able to capitalize on them by selling the finished products. We are at this point of time in India very good producer of yarns and fabrics.

But ultimately most of the European countries as well as the US and Japan which are the bigger markets for textiles in exports is consuming the garments. So, a lot of our future growth will depend on how the Indian garment industry takes up and also the home textile for the finished fabric takes it up going forward.

Lot of capacities in India is going to come up in these sectors to ramp up the overall thing. For them we will be, and they will need a lot of industrial supplies which is in the form of yarns and fabrics, and we are part of that particular chain. There the demand and supplies at this point of time very finely balanced.

In last in last two years we have seen consolidation, some weaker players going out of business, some smaller capacities which were unviable also stopped, this give a very good, I would say a balancing factor, so that because of which we could see this kind of price increases at this point of time.

Going forward not much capacity is coming up in these segments and we expect that the major investment which is going to happen will be in the field of garmenting and also in the field of the finished products. So going for -- that is going to be the future for the country as such. Once if we are able to capitalize on that then the future looks very bright not even for two, three years but even for more and longer.

Narayan Danak: Yes sir, thank you. Just the last follow up. The way we expanded and increased the product lines vertically from time to time, are we thinking of going to garments someday?

Dinesh Nolkha: Definitely, we have to look to -- if we have to, as I've highlighted here that the future will be dependent on how our garmenting industry performs. Definitely we have to look for that particular field as well. We are just waiting for the right opportunity and right conditions. We want to first capitalize on whatever capacities we have, and this is going to be one of the areas which we are very looking very seriously.

Narayan Danak: Maybe what you just pointed out that printing and other segments, other products that you are creating, I think they are downstream to garments. Once they are successful, I think you might venture into garments, is that right to assume?

Dinesh Nolkha: Should be. Once we are successful in ramping up our capacities for the fabric division and all the different kind of products are available in our basket, we may have a look at that short at that as well.

Narayan Danak: Sure, thank you very much.

Moderator: The next question is from the line of Sandeep Garg, an Individual Investor. Please go ahead.

Sandeep Garg: This is Sandeep Garg. My questions are also on the new capacity, which is coming up. One, can you give me the time line for the new spinning capacity as well as weaving and the finished fabric capacity that going to come up over the next couple of quarters?

Second, you had been mentioning about INR1,000 crores of turnover from the new capacity. But in the last 6 months, prices have gone up by about 20-odd percent. So are we looking at higher revenue from this new capacity that is coming up?

And lastly, since you have an integrated fabric capacity, and on yarn, you may say between 13% to 18%, depending on where the prices are. So what would be the margin for the integrated fabric unit if you can throw some light on that?

Dinesh Nolkha: First of all on your question on your timeline, I think we will start our weaving capacities in couple of month's time. We should be starting the same. Processing capacities will take then further one and a half more month to start which is around Diwali and spinning capacity should be on stream by around December. So next four to five months time most of our capacities should be up and running.

If the utilization will increase slowly so utilization levels will ramp up by 31st of March. For fabric it may take slightly more time, especially the processing side, it may take more time as it is fashion oriented, so normally takes longer time to put the capacity at full levels.

Then second question regarding the top line increase. You are very right, it can increase, but today looking to the volatility we are not factoring it in. Yes, the increase since there is a 8% to 10% increase in the prices, this can also go up also with the new turnover also, this may go up also. Thirdly you asked about I think third question was can you repeat?

Sandeep Garg: The margin on the integrated fabric?

Dinesh Nolkha: Yes,normally we do not calculate in that manner. We are just calculating the overall margin. Yes, I have already highlighted that since we have, at this point of time our top line consists about 20% to 21% of our fabric, which you should go up to about 30% going forward. And this should add about 100 to 150 bps to our margins. So our overall margins may increase by this level. So incrementally that should be the situation.

Sandeep Garg: Okay. That's very helpful. You mentioned that by first or second quarter of next financial year, you should be able to ramp up your new fabric capacity as well. So that's say about 12 to 13 months from now. Beyond that how are you looking at growing the business?

Dinesh Nolkha: Various opportunities available for us. So we keep on evaluating the same. And at this point of time, there is no firm business plan. If you go and see in our track record, we have been consistently growing. If you see any block of 3 to 5 years, we have consistently had a CAGR of about 15% and we hope to maintain same. So we will definitely let you know, with our plans going forward, what we are planning once they are firmed up.

Sandeep Garg: So the reason why I am asking this question is because the market dynamics are changing. As you mentioned that the market is very positive given the FTAs that India has signed. And of course, given the strength that India has in the cotton value chain. Now any new capacity will take at least 12 to 15 months. And given that and given the market opportunity, I wanted to understand your thought process on expansion?

Dinesh Nolkha: Definitely, the capacity we can get into some new lines as well as we have the opportunity to expand in our existing capacities also. But since I know we can horizontally increase, we can vertically increase both the options are available with us. and we will evaluate and accordingly come up with a firm plan. As of now, whatever capex we have announced, we are not considering any new capex in the next FY28 this is all done, till FY28.

So anything which is going to come up is going to come up only after FY28. So in the meantime, we are working out what is the best option available with us and not hurry it up and see the markets which are opening and then decide.

Sandeep Garg: And my last question, sir. I think the new capacity is coming under the Rajasthan scheme, textile scheme, where a lot of incentives have been made available by the government. Given these incentives, what kind of incremental margin can be added to the new business in your opinion?

Dinesh Nolkha: These incentives are available for our existing business also. The last 2 expansions, which we have undertaken. We also had these incentives available to us. A part of this incentive is capital subsidy, which does not form part of our revenues or other things, it is in the other income.

So margin profile does not increase or change because of that particular fact. And then there is inter-subsidy again, it is a part of EBITDA only. So margin profiling does not change with this kind of incentives, which we have. Yes, of course, net profit increases, so it is not going to be majorly change. We are already having those incentives available on our earlier projects as well.

Moderator: The next follow-up question is from the line of Abhishek Shah from Fortitude Fund Management. Please go ahead.

Abhishek Shah: Just a quick follow-up on the previous participant. Just want to understand on the next leg of growth. I understand once we get to this, we will be at around INR4,500 crores, INR4,600 crores of turnover. You did mention that garmenting could be something that we would evaluate. So just want your thoughts on a couple of things.

Are we open to looking at, say, organic opportunities in garmenting maybe at a later stage, that is one? And second is the garmenting versus home textiles, maybe just views on each of them?

Dinesh Nolkha: First of all, definitely, if the opportunity is interesting. We would be interested in organic as well. There is no issues with that. Plus organic growth is also possible both ways we can look at this particular field. But we have to evaluate which area which particular segment of the industry, we want to get into also in the garmenting so that the valuation will take some time and then only we can go forward with it.

So at this point of time, we have not firmed up anything. It's just a I would say, an idea that this is an area which is growing, which has to grow if the country has to grow. So that is one of my as you can say it is a rider, but I am not saying that we are entering into garmenting for sure. So secondly, as far as second your second question was regarding?

Abhishek Shah: Home textiles I mean what I am trying to understand is that from INR400 crores to INR4,500 crores, we made the journey. Now of course, for us to keep maintaining a good amount of growth, maybe spinning we might saturate at some level. So what's next is what I was trying to understand. So could it be home textiles or?

Dinesh Nolkha: Home textile versus garmenting both the key growth areas for Indian textiles. Home textile had a very rough phase for the last 1.5 years, 2 years because of these regulatory changes in the U.S. since we had a lot of dependence on the U.S. market from India. But our home textile, if you see the industry is very, very strong. and having all the capabilities with the Europe opening, a lot of opportunities are also coming in their way as well.

So it will be a big opportunity in EU where the presence is smaller, could be where the home textile can grow very substantially. So definitely, both of these area have very good opportunities available and can be evaluated at any given point of time, both are equally good opportunity, I would say.

Moderator: The next question is from the line of Pujit Agarwal an Individual Investor.

Pujit Agarwal: Thank you so much for giving me this opportunity. I just wanted to understand what are blended power cost per unit would be once our solar capacity comes on stream? Would it be possible to share that?

Dinesh Nolkha: Exact I will not be able to share. But I can give you a ballpark number. This should be once we have our complete capacity up and running, which would be constituting about 65% of our -- 60 to 60 -- about 60% of our overall requirements our blended cost should be in the range of about INR5.50.

Pujit Agarwal: Got it. Got it. Thank you so much. And considering the fact that some states like Jammu and Kashmir and other states have really lucrative policies for spinning industry, Jammu and Kashmir or let's say MP for that matter as well. Are we planning to diversify and increase our exposure in other states going ahead as a company?

Dinesh Nolkha: Means we keep on evaluating the various policies all around the country. And there are pluses and minuses in all the states as far as policy is concerned. And I don't see any major negative factor remaining in Rajasthan that we have, we have only locational disadvantage of slightly higher logistic costs, otherwise we are able to bring in solar capacity to this level which is not possible in many states in the country, and the one you are mentioning as well where the solar capacity cannot come to this level.

So there are pluses and minuses both ways. So this needs to be, so it is not that we have to diversify or go into some other state compulsorily. We may go for other logical reasons but not only for the incentives.

Pujit Agarwal: Got it. Got it. Thank you so much. Thank you so much.

Moderator: Thank you. The next question is from the line of Reena, an Individual Investor. Please go ahead.

Reena: Hello. Am I audible?

Dinesh Nolkha: Yes you are. Please.

Reena: Yes. Yes, hi. Thank you for the opportunity. In the last call if I am not mistaken, you had mentioned that the margins -- like the guidance you had given for margins was about 16% to 20%. We are somewhere in the midpoint there. To one of the earlier callers you mentioned that it would improve from here or like remain steady. I was just wondering for the long term, maybe not in FY27 but '28, '29 do we see this closer to 20%? That's my first question.

Sorry my -- I have a few more questions. In terms of the value added products, I wanted to understand the demand of these products. Third is you mentioned entering new markets, other than UK and EU region, are there any other countries or like domestically any other states that we've recently you know ventured into. And lastly on the cotton inventory, could you tell us how many months of cotton inventory are we currently holding?

Dinesh Nolkha: Like your first question was regarding the margins. I guided or have informed that the kind of product mix which our company has, we should be in the range of 16% to 20%. I still maintain the same, that we should be -- kind of product profile as well as the kind of cost metrics we have, we should be still remain in this range.

It is always the endeavour of the management to go to the upper level of the band which we have discussed and that is a continuous effort. But cannot give any guidance on that part at this point of time that we will definitely reach that level. It is our endeavour, we always try to move on that direction.

Your second question was regarding value addition, there are various value added products which we are already having and this is a continuous process. It is not a in textiles once a value added products after three, four, five years become a commodity product. So it is not that once you have done a value addition product, it will remain like this, the margins will remain like this.

So we have to continuously evolve and identify a new product which is going to happen. So this is a continuous process which we keep on -- which keeps on happening. So we are always working on that direction, that keeps our company in the leadership position. So we continue to do that.

Your third question was I think regarding the cotton inventory position. I'm sorry I may not be able to disclose about this. We normally do not disclose our inventory positions. And as far as new markets and other areas are or the states are concerned, it's a continuous process we do not disclose our marketing strategies on the investor conference calls where we are heading, we can just give you a broad picture where we can tell you that these are the areas where we can which may give us the growth to all the companies as well as ours.

Reena: Understood. Thank you. This was very helpful. Just one last question. On the knitted fabric production, it's slightly up sequentially and I remember in the last call you had mentioned that there were some headwinds from the US and you were expecting utilization to be around, I think 65% to 70%. Could you just give an update on how it is currently?

Dinesh Nolkha: This is in the range of about 55% to 60% at this point of time. We have not yet reached the 65% level the usual utilization pre this US tariff regime used to be around 60% to 65%. We have not yet reached that level due to the various uncertainties which is still prevailing in the US market. We had a major presence of our knit fabric business in the US which has impacted because of this a lot of changes which is happening very often in the tariff rates and others.

Reena: Understood, understood. Thank you so much.

Moderator: Thank you. Due to the time constraint we will take one last question from the line of Uday Kumar from UK Capital. Please go ahead.

Uday Kumar: Hello. Am I audible?

Dinesh Nolkha: Yes you are.

Uday Kumar: Sir just one last question on the crop size. How was the crop size as the quarter as the season is going to end and the quality issues you have been mentioning in the earlier quarters. And how do you see the crop size and quality shaping up for the next upcoming season?

Dinesh Nolkha: Last year I think the we have closed at about 320 lakh bales . Nearly we will close it over, normal pressing bales I am talking about, which is more or less equal to what we had in the previous year. This is about plus minus one. I think it was 326 or 327 lakh bales in the year '24, '25. I think we will close at around 318 to 320 lakh bales around that level only. So there is a very minor blip.

The coming year the crop at this point when the season start when the sowing season started, the crop was the sowing was lagging behind. As of the last data which I've received last week itself, that we have the acreage is more or less same. About 0.5% or about 1% less than what it was in last year, so not a major change.

The major factor today would be how the rains pan out during the next one month that will decide the size of the crop. But it is at this point of time it is expected that it should remain at the similar levels as of last year. As far as the quality is concerned, the last year quality, the cotton quality was not that good and that has that was one of the reason which has prompted most of the spinners from India to import the cotton from outside the country.

Although the cotton parity international and domestic was more or less same, but still people imported more cotton because the quality of the cotton available was not as good. In this year, at this moment quality looks good but for FY26-27 quality looks good but as I said the rains in the next four weeks is going to decide how it shapes up.

Uday Kumar: Thank you sir. Thank you for answering my questions.

Moderator: Thank you. Ladies and gentlemen, as that was the last question for today, I would now hand the conference over to Mr. Awanish Chandra for closing comments. Over to you, sir.

Awanish Chandra: Dinesh sir, before taking your closing comment, just one quick comment on your margin. The first time after long we have hit mid of our given margin range and since product mix is going to improve, power saving will be there, so can we say that our margin now will be in the guided range of 16% to 20% in foreseeable future?

Dinesh Nolkha: Definitely, that is what we are working on. And we definitely with the kind of changes in the margin profile of the company, looking to the power savings as well as the fabric -- increase in the fabric business, we should remain in this band definitely.

Awanish Chandra: Sure, sir. Thank you very much, Dinesh sir, and management team for giving us opportunity to host this call. Sir, your closing comments?

Dinesh Nolkha: Yes, definitely with this I would like to thank everyone for taking out time for joining the call. I hope we have been able to address the most of the queries. I would also thank SMIFS Team and Awanish for hosting the call. For any other information or any other things which we have not been queries which we have not been able to answer you can contact our finance team or our investor relations advisors. Thank you once again for and hope to see you all in the next earning conference calls. Thank you very much.

Moderator: Thank you. On behalf of Nitin Spinners Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.